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San Bruno Demands CPUC Keep its Promise to Investigate Illegal, Ex-Parte Communications with PG&E on 5th Anniversary of PG&E Explosion and Fire

City of San Bruno calls for answers after the CPUC missed its own June 9 deadline to fully investigate the illegal, ex-parte communications that have rocked the embattled state agency and forced resignations of top leadership

More Examples of Illegal Behavior Expected in Emails Between CPUC Leaders, <u>PG&E Executives</u>

San Francisco, Calif. – On the fifth anniversary of the deadly 2010 Pacific Gas & Electric Co. pipeline explosion in San Bruno and a year after the City of San Bruno first exposed a series of illegal, private conversations between the California Public Utilities Commission and PG&E related to the fatal blast, City officials are demanding that the CPUC honor its commitment to open a full investigation into the extent of these communications.

"We cannot bring back the eight innocent lives lost at the hands of PG&E and the CPUC, but on the fifth anniversary of this senseless tragedy, we renew our commitment to fight for transparency and reform of a corrupt system that contributed to one of the worst natural gas pipeline disasters in U.S. history," said Mayor Jim Ruane. "The PG&E disaster in San Bruno and the failure of state regulators must serve as a wake-up call for the CPUC to honor its word to the citizens of California, investigate the extent of illegal communication regulator and the regulated and put public safety first."

Ruane said in the five years since the PG&E gas pipeline exploded and caught fire in the city's Crestmoor neighborhood, more than half of those homes have been rebuilt and infrastructure repairs are near completion — a testament to the community's hard work in moving forward following the devastating explosion.

While 22 homes have now been rebuilt and are occupied by their owners, another 10 lots owned by PG&E or the City are still being developed with new homes expected to be available for sale in early 2016. Four lots adjacent to a former neighborhood park are being acquired by the City and will be used for a new, expanded park. The park's rebuild will be part of the final phase of the overall neighborhood infrastructure replacement, expected to be complete by the first half of 2017.

"Our efforts to restore this neighborhood and achieve full recovery are dedicated to the memory of the victims of this disaster," Ruane said. "But while we can rebuild our streets and homes, we will never bring back the innocent lives tragically lost. In their honor, we continue to advocate tirelessly for a safer pipeline system statewide so that what happened in San Bruno never happens again – this includes fighting for a full investigation into the illegal communication was a contributing cause of the tragic blast."

On April 9, 2015, the CPUC committed to investigate the illegal, ex parte email communications between PG&E leadership and CPUC's decision makers within "within 60 days" of its decision to levy a record-setting, \$1.6 billion penalty and fine against PG&E for the fatal 2010 pipeline explosion and fire that killed eight, injured 66 and destroyed dozens of homes.

Yet, that deadline passed on June 9 and, more than three months later, the City of San Bruno is demanding answers.

San Bruno leaders say "there is no moral, political or legal basis for delay."

"The CPUC pledged to follow up with a full investigation into the illicit and illegal relationship between the CPUC and PG&E that was first exposed by San Bruno and later resulted in the resignation and recusal of former CPUC President Michael Peevey, the recusal of Commissioner Mike Florio and the termination of other top PG&E offenders," said San Bruno Mayor Jim Ruane. "But, more than three months after their self-imposed deadline, it now appears the agency has gone back on its promise."

"Who is this agency protecting?" Ruane said. "The City of San Bruno is calling on the CPUC's leadership to honor its commitment, open this investigation and send the message that transparency and public safety are a first priority."

Dozens of illegal, ex parte emails between PG&E and its state regulator were exposed last July after San Bruno successfully sued the CPUC for the release of previously concealed public records.

That lawsuit resulted in the CPUC committing to improve access to public records and handing over more than 7,000 pages of communications that revealed more than 41 instances of illegal contact and emails between CPUC Commissioners and PG&E executives. This prompted the City to request special evidentiary hearings to review the disturbing findings.

San Bruno's initial lawsuit also led PG&E to turn over 65,000 additional emails, revealing troubling collusion and additional ex parte violations between CPUC decision makers and PG&E leadership.

These communications ultimately forced the resignation and recusal of then-CPUC President Peevey and the recusal of Florio from the PG&E San Bruno explosion and fire penalty case. Three PG&E executives were also terminated.

The U.S. Attorney's office and the California Attorney General's office have since launched separate investigations and served search warrants.

But CPUC ultimately deferred the hearing requested by San Bruno, pledging instead to open a thorough internal investigation by June 5, 2015 to "look into the specific allegations raised."

Ruane said it's critical that the CPUC now follow through with this investigation, the outcome of which could be new laws to punish this illegal communication. New information, including a May 21, 2015 disclosure of additional illegal ex parte communications and the City's review of the 65,000 emails released in January, provide further need for a complete internal investigation.

"As we continue to discover more examples of illegal, ex parte communication, it demonstrates a systemic problem and a culture of collusion that must be rooted out, investigated and stopped," Ruane said.

"This is the CPUC's opportunity to demonstrate its seriousness in protecting the safety of all Californians by increasing transparency at the CPUC and fully investigating the pervasive, ongoing relationships that jeopardized public safety and caused the devastating fire and explosion in San Bruno," he said. "We implore the Commission to pay attention and follow through on its commitments to the public."